Dear Sir or Madami

Your application for examption from Pederal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code has been given a consideration.

The information submitted discloses that you were incorporated under the nonprofit laws of the State of the s

Your purpose, briefly stated, is to teach, preach, and to epread the gospel of the Lord Jesus Christ.

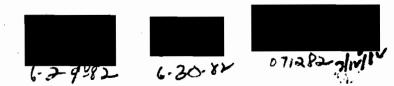
Your activities have included a religious broadcast, preaching the gospel on the atreets or other thoroughfares, preparing tapes of religious massages and holding worship services in your home.

Your organization is made up of your founder. The said board members of your church and its only members. There are no provisions for membership in your by-laws other than the heard members.

All of your income thus far has consisted of contributions by your founder. Your expanditures have included the payment of utility bills, house insurance and real estate taxes on the home chared by the board numbers, suto expenses of the board members (including insurance, license, gasoline, oil, tires, repairs), personal property tix of the founder, and the cost of radio broadcasts.

Copies of resolutions passed by the Board of Directors are enclosed as exchibits. These resolutions provide that the corporation will pay all of the personal living expenses of the board members including food, clothing, shelter, utilities, automobile expenses, and tuition for a course for the securetary.

You have indicated that your founder's house is the home of your two board members, and is used for the activities of the aburch. The home is a four bedroom house and has floor space of 1,248 square feet. You indicated that only the office space is considered to be rented, an area of approximately



30 square feet. According to a resolution passed by the Board Members, the church is to issue a "tax deductible receipt" for the rental value of the office space set at same per year.

One of your resolutions indicates that no salary is given to the minister and implies that the benefits received by the minister and his daughter are in lieu of compensation for services. You have not indicated the number of hours that the Board Members spend, on church activities or submitted substantiation that the compensation is commensurate with the services rendered. In addition, to the extent such benefits might be compensation for services, the fair market value of such benefits must be included in the taxable income of the Board Members on their respective Forms 1040.

According to your board resolution and your expenditures, you have paid all the automobile expenses of the first members. The information submitted did not indicate any activity that would require the use of an automobile except the trip to the continuous.

You indicated that about four people attend the worship services held in the living room of the Board Members' home; however, you were unable to furnish the names of any of those persons who have attended your services.

According to authorities of the City of Special Use Permit has not been issued to operate a church at

Same and the same

Section 501(a) of the Internal Revenue Code of 1954 provides for the exemption of certain organizations described in subsection 501(c).

"(3) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to fester national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propagands, or otherwise attempting to influence legislation (except as otherwise provided in

subsection (h)), and which does not participate in, or intervance in (including the publishing or distributing of statements), any political campaign on bahalf of any candidate for public office."

Section 1. 501(c) (3)-1 of the Income Tex Regulations requires that the Organizational purposes and powers may not, under any directiones, be broader than those described in Section 501(c)(3) of the Code, and that are organization must meet both the organizational and the operational tests in order to qualify for an exempt status. An organization is not operated exclusively for an exempt purpose if its net earnings inure in whole or in part to the benefit of private shareholders or individuals.

Moreover, an organization is not organized or operated exclusively for one or more exempt purposes specified in Section 501(c)(3) unless it matters a public rather than a private interest. To meet this requirement, it is necessary for an organization to establish clearly that it is not organized or operated for the benefit of any private interests.

Based upon the evidence submitted, we have determined that your income and messets are used primarily to meet the personal expenses of the board members. Payment of the personal expenses of the Board Members constitutes increment of income, prohibited under the statute.

We have concluded that you do not qualify for exemption from Yederal income tax as an organization described in Section 501(6)(3) of the Code, inequals as you are organized and operated for a private benefit as opposed to a public benefit.

If you do not agree with these conclusions, you may, within 30 days from the date of this proposed adverse determination letter, appeal to the Regional Office through this Kay District Office. Your appeal should contain the information described under Regional Office Appeal in the enclosed Publication 892, and should be mailed to this office. The Regional Office will let you know what action they take, and will set a date and place for any conference to be held. If a written protest is not received within the above time period this determination letter will be final.

Section 7428(b) (2) of the Internal Revenue Code provides, in part, that

"A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the court of Claims, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

- 4 -

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenie Service as a failure to exhaust svailable administrative remedies.

This is a decormination letter.

Sincerely yours.

Signed

District Director

Enclosures
Exhibits
Publication 892